

**November 2021 report**

## Money Market Players' expectations

Nov 16, 2021

Kantar Prospera has been commissioned by Sveriges Riksbank (Central Bank of Sweden) to undertake a series of surveys, twelve times a year, aiming at mapping money market players' expectations of Swedish inflation, GDP, repo rate, Swedish 5 year government bond rate, EUR and USD rates.

Questions regarding the survey will be answered by Karl Pettersson, +46 (0)70 461 14 94.

This release, or parts thereof, may be published immediately. Please state Kantar Prospera as the source.

**As of February 2021, Kantar Prospera also maps expectations on the Riksbank's bond purchases.**

(%)	Year 1		Year 2		Year 5	
	Nov 21	Oct 21	Nov 21	Oct 21	Nov 21	Oct 21
<b>Money Market Players</b>						
Annual inflation CPI	2,1	2,0	1,9	1,9	2,0	2,0
Annual inflation CPIF	2,1	1,9	1,9	1,9	2,0	2,0
Annual GDP	3,6	3,5	2,7	2,8	2,2	2,3

	3 months		12 months		24 months		60 months	
	Nov 21	Oct 21	Nov 21	Oct 21	Nov 21	Oct 21	Nov 21	Oct 21
<b>Money Market Players</b>								
Repo rate (%)	0,0	0,0	0,0	0,1	0,3	0,2	1,0	1,0
5 year gvt bond rate (%)	0,1	0,0	0,3	0,2	0,7	0,5	1,4	1,4
EUR/SEK	9,97	10,14	9,94	10,08	9,90	10,00	-	-
USD/SEK	8,63	8,72	8,61	8,65	8,54	8,51	-	-

	Current quarter		Following 3 quarters	
	Nov 21	Oct 21	Nov 21	Oct 21
<b>Money Market Players</b>				
The Riksbank's bond purchases (SEK bn)	232	134	241	146
<b>Distribution (%)</b>				
Government bonds	26	26	29	31
Municipal bonds	15	16	16	17
Covered bonds	55	54	53	49
Corporate bonds	4	4	3	3

<b>About the survey</b>		Nov 21	Oct 21
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<b>Method</b>	Telephone interviews		
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**Interview period**

Questions on inflation and GDP expectations	Nov 9-Nov 12	Oct 6-Oct 12
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Questions on future repo rate, 5 year government bond rate, EUR and USD rate	Nov 9	Oct 6
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**Response rate**

Number of organisations approached for interview	48	48
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Number of organisations not reached or denied participation	14	15
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Overall response rate (%)	71	69
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For response rate per question please see Tables 1-8

**About the interviews (numbers)**

Money Market players	Swedish	46
	International	2

**About the interviewers**

Average experience of the survey (years)	6,5
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**Definitions**

Inflation CPI The percentage increase in Consumer Price Index

Inflation CPIF The percentage increase in Consumer Price Index with a fixed interest rate

GDP Gross Domestic Product, the value of all goods and services produced (by Swedish agents) in one year

Repo rate The Riksbank's borrowing/lending rate from/to banks for seven days' money

**Previous reports** [www.kantarsifo.se/erbjudande/prospira/inflation-expectations](http://www.kantarsifo.se/erbjudande/prospira/inflation-expectations)

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**TABLE 1 - Inflation expectations**

Expected annual increase in CPI and CPIF the coming 1, 2 and 5 years

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
<b>Money Market Players</b>									
<b>CPI</b>									
Year 1	2,065	2,000	1,250	3,000	0,465	0,081	33	15	69%
Year 2	1,945	1,900	1,200	2,800	0,360	0,063	33	15	69%
Year 5	2,024	2,000	1,000	4,000	0,474	0,083	33	15	69%
<b>CPIF</b>									
Year 1	2,073	1,900	1,200	3,000	0,543	0,096	32	16	67%
Year 2	1,941	1,900	1,300	2,800	0,388	0,069	32	16	67%
Year 5	2,009	2,000	1,000	3,800	0,480	0,085	32	16	67%

**TABLE 2 - Inflation expectations - 75% probability forecast uncertainty intervals**

Expected annual increase intervals in CPIF the coming 1, 2 and 5 years with a 75 % probability

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
<b>Money Market Players</b>									
<b>Year 1</b>									
Lower bound	1,502	1,500	0,400	2,500	0,461	0,094	24	24	50%
Upper bound	2,581	2,275	1,700	4,000	0,713	0,145	24	24	50%
<b>Year 2</b>									
Lower bound	1,333	1,400	0,000	2,300	0,531	0,108	24	24	50%
Upper bound	2,535	2,450	1,600	4,000	0,607	0,124	24	24	50%
<b>Year 5</b>									
Lower bound	1,248	1,200	0,000	2,300	0,624	0,127	24	24	50%
Upper bound	2,750	2,800	1,800	4,000	0,559	0,114	24	24	50%

**TABLE 3 - GDP increase expectations**

Expected annual increase in GDP the coming 1, 2 and 5 years

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
<b>Money Market Players</b>									
Year 1	3,634	3,650	2,000	4,800	0,699	0,124	32	16	67%
Year 2	2,664	2,550	1,900	4,000	0,602	0,106	32	16	67%
Year 5	2,225	2,050	1,500	3,500	0,447	0,079	32	16	67%

**TABLE 4 - Repo rate expectations**

Expected repo rate the coming 3-60 months

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
<b>Money Market Players</b>									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	23	25	48%
12 months	0,043	0,000	0,000	0,250	0,097	0,020	23	25	48%
24 months	0,302	0,250	0,000	1,500	0,456	0,095	23	25	48%
60 months	0,998	1,000	0,000	2,500	0,674	0,141	23	25	48%

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**TABLE 5 - Repo rate expectations - 75% probability forecast uncertainty intervals**

Expected repo rate intervals the coming 3-60 months with a 75 % probability

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
<b>Money Market Players</b>									
<b>3 months</b>									
Lower bound	-0,079	0,000	-0,500	0,000	0,168	0,038	19	29	40%
Upper bound	0,053	0,000	0,000	0,500	0,134	0,031	19	29	40%
<b>12 months</b>									
Lower bound	-0,163	0,000	-1,250	0,150	0,319	0,073	19	29	40%
Upper bound	0,250	0,250	0,000	1,250	0,327	0,075	19	29	40%
<b>24 months</b>									
Lower bound	-0,124	0,000	-1,750	1,000	0,556	0,127	19	29	40%
Upper bound	0,784	0,500	0,000	2,250	0,716	0,164	19	29	40%
<b>60 months</b>									
Lower bound	0,161	0,000	-1,500	1,800	0,868	0,199	19	29	40%
Upper bound	1,908	1,750	0,250	5,000	1,270	0,291	19	29	40%

**TABLE 6 - 5 year government bond rate, EUR and USD rates expectations**

Expected 5 year government bond rate, EUR and USD rates the coming 3-24 months

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
<b>Money Market Players</b>									
<b>5 year gvt bond rate</b>									
3 months	0,058	0,075	-0,200	0,200	0,109	0,023	22	26	46%
12 months	0,270	0,250	0,000	0,750	0,220	0,047	22	26	46%
24 months	0,702	0,500	0,100	2,000	0,546	0,116	22	26	46%
60 months	1,384	1,250	0,200	3,000	0,768	0,164	22	26	46%
<b>EUR/SEK</b>									
3 months	9,969	10,000	9,800	10,100	0,086	0,018	24	24	50%
12 months	9,940	9,950	9,550	10,500	0,215	0,044	24	24	50%
24 months	9,902	9,800	9,500	10,500	0,288	0,059	24	24	50%
<b>USD/SEK</b>									
3 months	8,630	8,600	8,450	8,900	0,114	0,023	24	24	50%
12 months	8,615	8,550	8,000	9,500	0,280	0,057	24	24	50%
24 months	8,538	8,500	7,800	9,500	0,401	0,082	24	24	50%

**TABLE 7 - Expectations of the Riksbank's bond purchases**

Estimated nominal value of SEK bond purchases (incl reinvestments) the current and following 3 quarters

	Mean (SEK bn)	Median (SEK bn)	Lowest (SEK bn)	Highest (SEK bn)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
<b>Money Market Players</b>									
<b>The Riksbank's bond purchases</b>									
Current quarter	232,400	69,500	37,000	926,000	334,401	105,747	10	38	21%
Following 3 quarters	241,200	118,500	37,000	900,000	280,473	88,693	10	38	21%

**TABLE 8 - Expectations of the distribution of the Riksbank's bond purchases**

Expected distribution on government, municipal, covered and corporate bonds

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
<b>Money Market Players</b>									
<b>Current quarter</b>									
Government bonds	26,100	16,000	11,000	80,000	20,994	6,639	10	38	21%
Municipal bonds	15,400	15,000	10,000	22,000	3,565	1,127	10	38	21%
Covered bonds	54,600	60,500	10,000	70,000	17,927	5,669	10	38	21%
Corporate bonds	3,900	3,000	0,000	20,000	5,877	1,859	10	38	21%
<b>Following 3 quarters</b>									
Government bonds	28,667	20,000	15,000	75,000	19,423	6,474	9	39	19%
Municipal bonds	15,778	16,000	10,000	25,000	4,842	1,614	9	39	19%
Covered bonds	52,667	57,000	15,000	65,000	15,772	5,257	9	39	19%
Corporate bonds	2,889	2,000	0,000	10,000	3,100	1,033	9	39	19%